

## PRE-CONTRACTUAL INFORMATION

- A. The Underwriters and contractual partners of the Policyholder (hereafter: "the Policyholder") are underwriting members of the association of underwriters known as Lloyd's (hereafter: "the Underwriters"), having the following domicile, address and legal form:

Lloyd's	Lloyd's Versicherer, London	Head office: London / United Kingdom
One Lime Street	Zweigniederlassung für die Schweiz	Legal form: Association of Underwriters
London EC3M 7HA	Seefeldstrasse 7	
United Kingdom	8008 Zurich	
	Switzerland	

- B. The insurance contract is concluded with the assistance of the Lloyd's Broker. These are independent insurance intermediaries in the sense of Swiss legislation.
- C. The Policyholder can revoke the application to conclude the insurance contract or the declaration of acceptance thereof within 14 days from the date of such application or acceptance of the insurance contract by the Policyholder in writing or in another form enabling proof by text.
- D. The insurance contract includes among other things the following General Conditions, which contain nine separate provisions. The Policyholder is therefore explicitly requested and required to read carefully through the following information and the nine mainly short and easily understandable provisions. These refer *inter alia* to the following:

**Number 1** deals with the general exclusions namely war and hostilities as well as certain losses resulting from ionising or radioactive radiation and in connection with nuclear installations or processes. In these cases, the contract offers no insurance coverage.

**Number 2** requires, in accordance with the Swiss Federal Law concerning the Insurance Contract that the questions of the Underwriters in connection with the insurance proposal, whether in writing or in another form enabling proof by text must be answered truthfully. A breach of this duty may lead to the cancellation of and to the loss of rights under the insurance contract; here it should be noted that breaches of duty committed up to 31 December 2005 shall be judged in accordance with the (for the Policyholder or Insured) stricter law in force prior to 1 January 2006 (withdrawal from the contract, forfeiture of premium) applying hitherto.

**Numbers 3 and 4** outline individual obligations or duties, which must be observed by the Policyholder or Insured following the occurrence of a loss. A breach of these may entail a loss of entitlement to indemnity.

**Number 5** sets out the addresses of the Underwriters to which notices are to be sent by the Policyholder or Insured or the addresses of the Policyholder or Insured to which notices are to be sent by the Underwriters, so that these may have the foreseen effect in a timely manner. Changes of address must be reported without delay.

**Number 6** is linked with Number 3 and stipulates the time and place for the payment of claims as well as the preconditions for these becoming due and to be able to be made against the Underwriters.

**Numbers 7 and 8** explain how and where a possible legal action can be directed against the Underwriters.

**Number 9**, finally, refers to the provisions of the Swiss Federal Law concerning the Insurance Contract, which always then apply, should the relevant insurance contract establish no provisions to the contrary (for example in the General Conditions or in the Special Conditions).

- E. Lloyd's makes two data collections (client data and claims data) in connection with the processing of the insurance contract. The client data serve as evidence of whether an insurance is in existence at Lloyd's. The claims data serve the adjustment of claims. The parties which receive the data are the respective Lloyd's Brokers and the Underwriters; in the event of a claim, potentially also the loss adjusting firm appointed by the Underwriters and, as the case may be, the Swiss Lloyd's UVG Claims Office. The data may only be passed on to other third parties with the agreement of the party or parties so affected or based on a law. The data are stored in part electronically, in part in paper form and are destroyed after ten years.
- F. **IMPORTANT NOTICE:** The definitive wording is exclusively and only that of the nine named provisions themselves; the pre-contractual information does not form part of the contract.

## GENERAL CONDITIONS

The following General Conditions form part of the insurance contract concluded with the Underwriters. They all override all other provisions of this contract which state differently unless individual of these General Conditions have been explicitly amended in the other contractual documentation or have been marked as being not applicable.

### 1. EXCLUSIONS

This insurance does not cover:

1.1 any loss directly or indirectly occasioned by the following events: war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation, nationalisation, requisition, destruction of or damage to property by or under the order of any Government or Public or Local Authority.

1.2 (a) damage to any property whatsoever as well as any loss or expense resulting or arising therefrom and any consequential loss,

(b) any legal liability of whatsoever nature,

directly or indirectly caused by or contributed to by or arising from:

(i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel,

(ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

### 2. NON-DISCLOSURE

2.1 Acts of non-disclosure committed from 1 January 2006

If the Policyholder or any person (or firm) insured hereunder shall have made upon conclusion of this insurance a false declaration of a material fact which he knew or ought to have known and about which he has been asked in writing or in another form enabling proof by text, or if he omitted to declare such fact, the Underwriters shall in accordance with Article 6 of the Federal Law concerning the Insurance Contract be entitled to cancel the contract by a written declaration or in another form enabling proof by text within four weeks of such false declaration or omission coming to their knowledge.

The Underwriters shall in such event be freed also from all duty to indemnify losses already incurred whose occurrence or scope has been influenced by the omission to declare or the false declaration of the material fact. Insofar as the Underwriters may have already indemnified a loss or losses they shall be entitled to reimbursement.

Also following the conclusion or renewal of this insurance, the Underwriters shall be entitled to cancel this contract during all subsequent renewal periods, if the Policyholder or Beneficiary falsely declared or omitted to declare such information to the Underwriters

## 2.2 Acts of non-disclosure committed up to 31 December 2005

Acts of non-disclosure, which were committed up to 31 December 2005 but which were only discovered from 1 January 2006 are to be judged in accordance with Article 6 of the Federal Law concerning the Insurance Contract in its previous version, which was valid until 31 December 2005.

## 3. OBLIGATION IN CASE OF LOSS OR DAMAGE

The Policyholder and the Beneficiary shall in the event of loss and as a condition precedent to any rights or claims under this contract report to the Underwriters without delay the occurrence of the loss and shall give the Underwriters all information, proof and evidence in respect of the loss as the Underwriters may reasonably require from them and as may be in their power. The insurance contract can stipulate a specific time limit for the submission of the notice of loss.

## 4. FRAUDULENT CLAIMS

If the Policyholder or the Beneficiary makes any claim knowing the same to be false or fraudulent as regards the amount or otherwise, the Underwriters shall be released from all liability in respect of all claims made under this insurance by that claimant.

## 5. NOTICE

All notices which may be required to be sent by the Policyholder or the Beneficiary to the Underwriters shall be served in writing, or in another form enabling proof by text, on the address contained herein, or subsequently brought in writing to the attention of the Policyholder, or at the seat of administration for the entire Swiss business. All notices addressed by the Underwriters to the Policyholder or the Beneficiary shall be served on the address last communicated to the Underwriters.

## 6. DUE DATE AND PAYMENT OF CLAIMS

Claims shall become due for payment four weeks after the Underwriters have received the information concerning the loss and have been able to satisfy themselves as to the correctness of the claim (Article 41 of the Federal Law concerning the Insurance Contract). Claims shall be paid at the Swiss domicile of the Insured or of the Policyholder.

## 7. LITIGATION

Legal actions for the full claim must be directed against the General Representative for Switzerland at the expense of Underwriters subscribing to this insurance (Article 15a Insurance Supervision Act, ISA; Representative Action (Prozessstandschaft)).

## 8. JURISDICTION

In the event of any litigation, the Underwriters shall accept the jurisdiction of the court at their seat of administration for the entire Swiss business, Seefeldstrasse 7, 8008 Zurich, or at the Swiss domicile of the Policyholder or Beneficiary.

## 9. APPLICABLE LAW

As far as this contract provides nothing to the contrary, the provisions of the Swiss Federal Law concerning the Insurance Contract of 2 April 1908 shall be applicable.

01/01/24

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# LLOYD'S UNDERWRITERS

## GENERAL CONDITIONS OF INSURANCE (AVB) FOR THE INSURANCE OF INDUSTRIAL RISKS AND OPERATIONAL RISKS

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As used herein, reference to persons in the masculine gender shall, for reasons of improved readability, also be deemed to apply to persons of the feminine gender.

**1. INSURED SUBJECT MATTER**

**1.1. Insured items**

Provided it is so stated in the policy, insurance shall be afforded for: The policyholder's own movable items, entrusted, hired and leased movable items, as well as items which are owned by persons who live in the household with the policyholder, such as:

**1 Goods**

Goods manufactured by the policyholder himself and those which he has bought in (raw materials, factory supplies, semi-finished and finished products).

**2 Equipment**

Machinery including mounts, fittings required for operation, tools, spare parts, plant and warehouse facilities, office equipment, purchased software and the like.

**3 Company motor vehicles and trailers,** both without number plates, and mopeds whilst on the premises of the insured only.

**4 Movable structures and structural fixtures and fittings,** to the extent that these are not insured or do not have to be insured together with the building.

Insurance shall only be afforded for the following by special agreement:

- a. Motor vehicles and trailers (with the exception of sub-paragraph 1.1.3), caravans, boats, rolling stock and aircraft whilst on the premises of the insured only;
- b. Personal effects of guests staying with the policyholder at a named location. Coverage is provided up to the legal limit of liability.

**5 Building, condominium unit**

The building or condominium unit stated in the schedule. For the purposes of distinguishing between buildings and personal property, the following shall apply:

- In cantons with cantonal building fire insurance, the cantonal provisions shall be valid;
- In other cantons all parts of the building, including any permanent fixtures and fittings, are insured.

Insurance shall not be afforded for:

Property which is insured or is required to be insured under a cantonal insurance policy.

**1.2. Special items and costs**

Provided it is so stated in the schedule, insurance shall be afforded for:

**1 Personal effects and visitors' effects,** incl. bicycles and mopeds whilst on the premises of the insured only.

**2 Defaulting debtors,** i.e. loss of income resulting from the destruction, spoiling or loss of invoice copies or of documentation used for invoicing.

**3 Key replacement costs,** i.e. the costs incurred on changing and replacing keys, batches and the like, as well as locks, at the insured locations and on safe deposit boxes rented by the policyholder.

**4 Temporary safety measures,** i.e. the costs incurred on emergency doors, emergency locks, emergency glazing and the like.

**5 Restoration costs,** i.e. the costs incurred on the restoration of:

- business records, files, lists and schedules, microfilms, data incl. self-made software, plans and drawings;
- models, patterns, moulds, templates, cutting dies, dies, live matter, offset films, printing plates and
- cylinders, printing blocks, jacquard cards, disks from CNC machinery and the like, together with the related plans, drawings, designs

and the like, together with materials which are expended within 2 years of the occurrence of the claim. The restoration costs incurred on third party items which have been entrusted to the policyholder are equally insured.

**6 Market price fluctuations.** The limit of indemnity for market price fluctuations is limited to 10% of the sum insured.

**7 Costs of uncovering,** i.e. the costs incurred on uncovering burst pipes and on bricking up or covering the repaired pipes which are relocated as the result of operational needs, together with the related detection costs.

Insurance shall not be afforded for:

costs of uncovering to the extent that these can be insured together with the building.

8 clearance and waste disposal costs, i.e. the costs incurred on clearing insured items and on taking them to the nearest suitable landfill site, as well as the sum expended on dumping, waste disposal and destruction.

The insurance affords coverage moreover for the costs incurred on toxicological analyses in the case of special waste.

The following is not deemed to be clearance and waste disposal costs:

Expenditure on the disposal of air, water and soil (incl. fauna and flora), even when these are mixed in with or covered by insured items.

9 Costs of moving and protecting items, i.e. costs incurred as the result of the fact that, with a view to the restoration, replacement or clearance of items insured under this contract, other items have to be moved, altered or protected.

Costs of moving and protecting items are notably expenditure on the disassembly or reassembly of machinery, on breaking through, demolishing or rebuilding building parts, or on extending openings.

10 Costs of decontamination of soil and extinguishing water, i.e. costs which the policyholder has to incur in compliance with public rulings as the result of a contamination in order to

- examine and where necessary decontaminate or replace soil (incl. fauna and flora) at the site at which the property damage occurred;
- in order to examine and where necessary decontaminate and remove extinguishing water at the site at which the property damage occurred;
- in order to transport the contaminated soil or extinguishing water to the nearest suitable landfill site and store it there or to destroy it;
- in order to subsequently restore the condition of the site to the condition it was in prior to the occurrence of the claim.

Insurance shall only be afforded for the following by special agreement:

- a. Loss of rent;
- b. Loss as the result of business interruption (loss of earnings and additional expense);
- c. Items in circulation or at an exhibition.

### 1.3. Money

Provided it is so stated in the policy, insurance shall be afforded for:

1 Money up to a total of CHF 5,000

The following are deemed to be money:

- cash, securities and savings books;
- travel checks;
- coins and medals, precious metals (in the form of inventory, ingots or merchandise);
- unset precious stones and pearls;
- credit and debit/store cards;
- tickets, subscriptions, flight tickets and vouchers, provided these are not for personal use;
- cheque forms duly completed and signed by authorised persons;
- money belonging to staff.

Insurance shall only be afforded for the following by special agreement:

Money in an amount exceeding CHF 5,000

### 1.4. Loss of earnings and additional expense

Provided it is so stated in the policy, insurance shall be afforded for:

1 Loss of earnings and additional expense. This includes:

- turnover loss
  - additional expense
- suffered by the business as the result of property damage following an insured peril.

#### 1.4.1. Turnover loss

Reimbursement shall be provided for the turnover loss less the costs saved, whenever it is temporarily impossible to continue business operations or whenever only part of the operations can be continued.

Turnover is deemed to be:

- in the case of trading businesses, the proceeds from the sale of the traded goods;

- in the case of service businesses, the proceeds from the services provided;
- in the case of manufacturing businesses, the proceeds from the sale of the products made.

The turnover loss corresponds to the difference between the turnover obtained during the indemnity period and the turnover which would have been expected had there been no interruption.

Business interruption losses resulting from the fact that a third party business is affected by a loss occurrence (contingent business interruption loss) caused by

- a peril insured under the policy and
- by a loss occurrence which pursuant to the General Conditions set forth herein is insured hereunder shall equally be reimbursed.

The insurance benefit for contingent business interruption losses is limited to 20% of the sum insured.

This coverage applies worldwide.

Liability commences as of the date of the happening of the loss occurrence at the third party business.

Insurance shall not be afforded for:  
Contingent business interruption losses in consequence of a natural peril loss overseas.

**1.4.2. Additional expense**

Reimbursement shall be provided for the additional expense which it is likely to be necessary from an economic point of view to incur for the duration of the interruption in order to keep the business running. This must however be expenses which are incurred in consequence of an insured claim.

The following are deemed to be additional expense:

- loss minimisation costs, i.e. additional expense which is incurred during the indemnity period and which serves to minimise the loss;
- special expense, i.e. additional expense for which sufficient evidence of the loss minimising effect during the indemnity period cannot be provided, respectively the loss minimising effect of which materialises only after the indemnity period has expired (for example: contract penal-

ties on account of the impossibility of execution and/or delayed execution of orders accepted).

The insurance benefit for special expense is limited to 20% of the sum insured.

Any reduction in costs shall be offset against the additional expense.

**1.4.3. Specific provisions**

For loss of earnings and additional expense, the following applies additionally:

- The indemnity period runs for 24 months with effect from the happening of the insured loss occurrence;
- Circumstances which would have influenced the turnover during the indemnity period even if there had been no interruption must be taken into account in the calculation of the loss;
- If following the loss occurrence the business operations are not resumed, then only those costs which are actually ongoing shall be indemnified, and this on condition that they would have been covered by the turnover had there been no interruption. What is relevant in this connection is the probable duration of the interruption in the context of the indemnity period;
- The overall indemnity is limited by the sum insured.

Insurance shall not be afforded for:

- a. Personal injury, as well as circumstances which have no causal connection with the property damage;
- b. Loss of earnings and additional expense incurred in consequence of single damage or loss or damage resulting from the fact that the insured items were exposed to a friendly fire or to heat;
- c. Loss of earnings and additional expense resulting from [the need to comply] with public rulings.

Insurance coverage shall however be afforded if the business interruption loss is increased as the result of compliance with a public ruling, provided that this ruling is issued after the occurrence of the claim as the result of acts or decrees which came into force before the occurrence of the claim.

There shall be no coverage hereunder:

- a. Where the public rulings refer to items used for the business which are not affected by property damage in consequence of an insured peril. If on account of public rulings the business operations can only be resumed at a different location, liability shall be assumed for the increase in the business interruption loss only to the extent of the amount which the loss would have proven to be had the business operations been resumed at the original site;
- b. Loss of earnings and additional expense incurred as the result of the enlargement of the facility or of modernisation work done after the occurrence of the claim;
- c. Loss of earnings and additional expense incurred as the result of a lack of capital caused by property damage or business interruption losses.

## 2. TERRITORIAL SCOPE

### 2.1. At the location

The insurance coverage shall extend to the locations named in the schedule, and in the case of fire insurance equally to the premises existing at the location. Under the fire insurance, there shall be free movement between these locations.

### 2.2. Circulation

The following are insured under the heading of circulation:

- 1 Money  
Money away from the named locations up to CHF 5,000 against the perils insured under the policy.
- 2 Goods and equipment, including on building sites Under the fire insurance, up to 10% of the fire sum insured, with a maximum of CHF 20,000

This shall however only apply if they are temporarily, and this for no longer than

two years, away from the locations named in the schedule.

Insurance shall not be afforded for:

- a. Natural peril claims occurring outside Switzerland, the principality of Liechtenstein and the enclaves of Büsingen and Campione;
- b. Burglary, housebreaking and robbery claims occurring in site huts, containers and incomplete structures outside Switzerland, the principality of Liechtenstein and the enclaves of Büsingen and Campione.

## 3. COVERAGE OF FUTURE RISKS

### 3.1. New acquisitions, improvements, increases in value

Under the fire insurance, new acquisitions, improvements and increases in value are insured up to an amount of 10% of the fire sum insured, with a maximum of CHF 20,000

In the event of a claim the sum insured under the insurance of future risks shall be merged with the sum insured stipulated in the schedule.

### 3.2. New companies and locations

Newly established or acquired companies and new locations shall equally be insured provided that:

- the registered office is located in Switzerland, in the principality of Liechtenstein and in the enclaves of Büsingen and Campione;
- the shareholding is 51% or more;
- the sphere of activity has the same business nature.

The policyholder undertakes to notify the insurer of the new locations within 6 months of establishment or acquisition. Where such notification is not made, this coverage shall cease to apply.

The insurer shall be entitled:

- to refuse the inclusion of the new company within one month of the receipt of all the information required for the assessment of the new risk. The premium due for the insurance coverage afforded during the relevant period shall still be owed;
- to make the provision of insurance coverage for the new risk conditional on an additional premium or on an increased excess.

If no agreement can be reached regarding the additional premium respectively excess, then the insurance coverage in respect of the new firm shall cease to exist on expiry of a period of 30 days after the insurer has been notified.

**4. TERM OF THE CONTRACT**

**4.1. Inception and term**

The inception and expiry date are as set out in the schedule.

**4.2. Termination or renewal on expiry**

If the contract is not cancelled 3 months before expiry, it shall be tacitly renewed for a further year.

If the contract was concluded for a period of less than 12 months or for a year, the insurance shall lapse on the stated date.

**4.3. Termination on change of ownership**

- 1 If the insured interest changes owner, the rights and obligations arising under the contract shall be transferred to the new owner.
- 2 The new owner can decline the transfer of the contract within 30 days of the change in ownership.
- 3 The insurer can cancel the contract within 14 days of having become aware of the identity of the new owner. The contract will terminate at the earliest 30 days after its cancellation.

**4.4. Termination in the event of a claim**

Either party may cancel the contract following the occurrence of an indemnifiable claim:

- The insurers must give notice of cancellation no later than the date of payment of the indemnity; liability shall cease once 14 days have expired following receipt by the policyholder of the notice of cancellation. The policyholder will be refunded with the portion of premium relating to the period of unexpired risk.
- The policyholder must give notice of cancellation no later than 14 days after he has learned of the fact that indemnity will be paid. Liability shall cease on receipt of the notice of cancellation. In the case of a total loss the insurer shall be entitled to retain the premium. In the case of a

partial loss, the policyholder will be refunded with the portion of premium relating to the period of unexpired risk, provided the policy was in force for at least one year.

**5. INSURED PERILS AND LOSS OR DAMAGE**

Provided it is so stated in the schedule, insurance shall be afforded for:

**5.1. Fire and natural peril claims**

**5.1.1. Fire damage, i.e. Damage caused by:**

- 1 Fire;
- 2 Smoke (sudden and accidental effect);
- 3 Lightning;
- 4 Explosion and implosion;
- 5 The falling or forced landing of aircraft and spacecraft or parts thereof;
- 6 Meteorites or other heavenly bodies.

Insurance shall not be afforded for:

- a. Loss or damage caused by the effect of smoke, where the effect is in line with the intended purpose of the smoke or gradual;
- b. scorching damage which is not attributable to a fire;
- c. Loss or damage resulting from the fact that the insured items were exposed to a friendly fire or to heat;
- d. Loss or damage caused by spontaneous heating, fermentation, inherent deterioration;
- e. Damage to live electrical machinery, equipment and lines caused by the effect of the electrical energy itself, by overvoltage or due to such equipment and lines heating up as the result of their being overloaded;
- f. Damage caused to electrical protection devices such as non-renewable fuses whilst they are fulfilling their normal intended purpose;
- g. Loss or damage as the result of underpressure (except implosion), water hammer, centrifuge failures and other operational effects due to the play of mechanical forces;
- h. Loss or damage caused by the bursting of tyres.

**5.1.2. Natural peril claims, i.e. Loss or damage caused by:**

- 1 Flood;
- 2 Inundation;
- 3 Storm (= wind of at least 75 km/h, toppling trees or tearing the roofs off buildings in the vicinity of the insured items)
- 4 Hail;
- 5 Avalanche;
- 6 Weight of snow;
- 7 Rockfall;
- 8 Falling stones;
- 9 Landslip.

Insurance shall only be afforded against natural peril damage for the following by special agreement of underwriters:

- a. Easily movable structures (such as exhibition screens, and permanent shelters, large tents, carousels, show booths and trade fair booths, air supported structures and diamond shaped industrial buildings) and structures which are neither permanent nor of massive construction, and their contents;
- b. Caravans, boats and aircraft together with their accessories;
- c. Motor vehicles used as a storage site for goods, either in the open or under an awning;
- d. Mountain railways, cable cars, ski lifts, overhead electric lines and pylons (with the exception of local grids);
- e. Items located on building sites; the building site is deemed to be the entire area in which material resources are available which are there in connection with a construction, even before the commencement and after the completion of the same;
- f. Greenhouses, polytunnels, and plants.

Insurance shall not be afforded for:

- a. Natural peril claims outside Switzerland and the principality of Liechtenstein;
- b. Loss or damage caused by subsidence, heave, poor quality building land, faulty structural design, defective maintenance of the building, failure to introduce protective measures,

artificially induced earth movements, snow sliding off roofs, groundwater, rise and overflow of waters which is from experience known to recur at shorter or longer intervals;

- c. Irrespective of its cause, loss or damage caused by water from artificial lakes or other artificial water installations. Water backing up from pipes;
- d. Loss or damage resulting from operations and [resource] management which, based on experience, must be expected, such as surface and underground structures, mine workings, on the occasion of the extraction of stones, gravel, sand or clay.

Insured benefits (limit of indemnity in case of natural peril claims)

1 Article 176 of the Supervisory Order (AVO) provides for a reduction in the indemnity in case of major events (indemnity limited any one policyholder to CHF 25 million, any one overall event to CHF 1,000 million);

2 Indemnities payable for damage to goods and chattels shall not be aggregated with those payable for damage to buildings;

3 Losses which are separate in time and space shall constitute one event whenever they are attributable to the same atmospheric or tectonic cause.

**5.1.3. Scope of the insurance**

The insurance shall replace insured articles destroyed, damaged or lost in connection with a fire or natural peril event and shall reimburse the resultant insured costs.

**5.2 Burglary and housebreaking and robbery**

Provided it is so stated in the schedule, insurance shall be afforded for:

**5.2.1. Burglary, housebreaking and robbery**

claims conclusive evidence of which can be provided by traces and tracks, witnesses or based on the circumstances

- 1 Burglary and housebreaking  
Burglary and housebreaking is deemed to be theft caused by perpetrators who make a forcible entry
  - into a building or
  - into a room of a building or
  - who break open a receptacle contained therein.

Site huts and containers are equated to buildings.

Theft damage caused by unlocking using the correct keys, magnetic cards and the like or codes, provided the perpetrator acquired these through burglary and housebreaking or through robbery, shall be equated to burglary and housebreaking.

As far as concerns the contents of strongrooms, strongboxes, safes and other receptacles, the insurer shall assume liability only if these are locked and if the keys and codes

- are carried by the persons responsible for the same on their person or
- carefully stored away at home by the said persons or
- locked in an equivalent receptacle, whereby the aforementioned provisions apply to the keys and codes of the same.

2 Robbery

Robbery is deemed to be theft under

- threat of or
- use of violence

against the insured, his employees or persons who live in the same household as him.

Theft whenever a person is incapable of offering resistance on account of death, unconsciousness or of an accident shall be equated to robbery.

- 3 Included in the insurance is damage to buildings and to fittings which belong to the landlord or the policyholder, or for which the latter is responsible in his capacity as tenant, provided such damage has arisen on the occasion of insured burglary and housebreaking or insured robbery.

Insurance shall not be afforded for:

- a. Damage caused by persons who live in the same household as the insured or who are in his service, provided their official position permits them access to the insured premises;
- b. Loss or damage which has arisen in consequence of fire and natural peril events (sub-paragraph 5.1.).

**5.2.2. Scope of the insurance**

The insurance shall replace insured articles destroyed, damaged or lost in connection with burglary and housebreaking

or robbery and shall reimburse the resultant insured costs.

**5.3. Water damage**

Provided it is so stated in the schedule, insurance shall be afforded for:

**5.3.1. Water damage**

Water damage is deemed to be loss or damage caused by:

- 1 Water or other liquids flowing out of:
  - pipe systems carrying liquids in line with their intended purpose, which serve the insured business or the building in which the insured articles are located;
  - the equipment and apparatus connected to these pipe systems;
  - heating systems and tanks, and out of heat exchanger and/or heat pump circulatory systems for the acceptance of all kinds of ambient heat (such as solar radiation, geothermal heat, groundwater, ambient air and the like) and/or air conditioning units all of which serve only the building designated as the [insured] location.

Insurance shall not be afforded for:

- a. Damage to the liquids that have leaked out themselves, and loss of the same;
- b. Damage caused by liquids mixing with one another in sealed systems;
- c. Damage caused on the occasion of filling or draining, and when performing maintenance on, liquid containers and pipe systems;
- d. Damage to refrigerating plants caused by artificially produced frost, as well as damage caused to heat exchanger and/or heat pump circulatory systems and/or air conditioning units themselves as the result of water being mixed with other liquids or gases inside these systems;
- e. The costs of repairing damaged water pipes and liquid lines, as well as apparatus connected to the same (except in the case of frost damage).

2 Loss or damage as the result of water suddenly, but not gradually, flowing out of aquariums, ornamental fountains and waterbeds.

3 Rainwater, snow water and water from melted snow inside the building, provided the water has penetrated into the building through the roof, or from gutters or outside drain pipes.

Insurance shall not be afforded for:

- a. Damage to the house facade (outside walls including insulation) and to the roof (to the load-bearing structure, the roof surface and the insulation);

- b. The costs incurred on the thawing and repair of gutters and outside drain pipes, as well as the costs of clearing away snow and ice;
- c. Loss or damage caused as the result of water penetrating through open skylights;
- d. Loss or damage caused as the result of water penetrating through openings in the roof on the occasion of the construction of new buildings, reconstruction or other work.

4 The backing up of sewers as far as concerns damage to the inside of the building.

Insurance shall not be afforded for:  
Damage caused by sewers backing up, for which the owner of the sewers is liable.

- 5 Groundwater inside the building.
- 6 Frost on water pipe systems. Reimbursement shall be provided for the costs incurred on thawing and repairing pipe systems and the apparatus connected thereto, installed by the insured inside the building, where these are damaged by frost.
- 7 Included in the insurance are Office containers and container homes, provided they
  - are used as a workspace, toolroom, or living space and
  - have their own water pipe and/or electrical transmission system or the necessary connections for this.

Insurance shall not be afforded for

- a. Loss or damage caused by subsidence, poor quality building land, faulty structural design, defective maintenance of the building, failure to introduce protective measures;
- b. Loss or damage which has arisen in consequence of fire and natural peril events (sub-paragraph 5.1.).

- 8 Under the buildings insurance, insurance is moreover afforded for:
  - The costs incurred on uncovering burst pipes and on bricking up or covering the repaired pipes, including detection costs, even outside the building, provided they serve only the insured building. The indemnity hereunder is limited to a maximum of CHF 5,000 per claim.

- Loss of rent. This coverage shall not apply to the insurance of hotels and public houses, holiday homes and apartments.

**5.3.2. Scope of the insurance**

The insurance shall replace insured articles destroyed, damaged or lost in connection with water damage and shall reimburse the resultant insured costs.

**5.4. Breakage of fixed glass and sanitary ware**

Provided it is so stated in the schedule, insurance shall be afforded for

**5.4.1. Glass breakage claims**

Glass breakage claims refer to breakage, on the insured business premises used, of:

- 1 Fixed glass in buildings  
Permanently fixed glass forming part of the business premises. Facades and wall coverings made of glass and glass blocks are equally insured.
- 2 Fixed glass in furniture  
Fixed glass in movable equipment or fittings (excluding merchandise).
- 3 Sanitary ware  
sinks, basins (incl. cisterns), urinals (incl. partition walls) and bidets.
- 4 Included in the insurance are:
  - Breakage of glass ceramic cooking surfaces;
  - Damage to kitchen countertops made of natural or artificial stone;
  - Glass breakage in site huts and containers;
  - Breakage of glass in display cabinets and neon signs belonging to the insured or rented by him, within Switzerland, the principality of Liechtenstein, and the enclaves of Büsingen and Campione;
  - Costs of emergency glazing;
  - The costs incurred on inscription, foil/film, etching, sandblasting etc. when glass is broken;
  - Glass breakage on the occasion of civil commotion. In derogation from the general exclusions, glass breakage is equally insured when it occurs on the occasion of civil commotion and as the result of the measures taken to combat the same.

- 5 Materials similar to glass  
Materials similar to glass shall be equated to glass if they are used instead of glass.

Insurance shall only be afforded for the following by special agreement:

- a. Damage to paintings and literature (paints, lacquer coats, crystal lettering, etchings or other embellishments). If coverage is included by special agreement, damage shall only be reimbursed where there has been concurrent glass breakage;
- b. Fixed glass which was already cracked at the time of the inception of the insurance;
- c. Fixed glass with a surface area exceeding 4 m<sup>2</sup>;
- d. Items in circulation or at an exhibition.

Insurance shall not be afforded for:

- a. Loss or damage arising on the occasion of work done to or with the fixed glass respectively articles;
- b. Breakage of glass in solar heat collectors
- c. Glassware Glass which is tampered with; Optical glass; Glass crockery; Container glassware; Light fixtures of any kind, lightbulbs, Venetian type mirrors, stained glass, coat of arms plates;
- d. Consequential damage and wear and tear damage;
- e. Damage to electrical and mechanical equipment, including automatic toilets;
- f. Damage to the glass in visual display screens and displays of all kinds;
- g. Loss or damage which has arisen in consequence of fire and natural peril events (sub-paragraph 5.1.).

**5.4.2. Scope of the insurance**

The insurance shall provide reimbursement for damage resulting from the breakage of insured fixed glass and sanitary ware and the resultant insured costs.

## 6. GENERAL EXCLUSIONS

Insurance shall not be afforded for:

- 1 Items and costs which are insured with or are required to be insured with a cantonal insurance office.
- 2 Services provided by public national services and the fire brigade, police or other parties obliged to offer assistance.
- 3 Loss or damage arising from water from artificial lakes and artificial water installations.
- 4 Loss or damage arising from
  - Earthquake;
  - Volcanic eruptions;
  - Alteration of the structure of the nucleus of the atom.

These exclusions shall not apply if the policyholder is able to prove that the claim was in no way connected with these events.

- 5 Loss or damage on the occasion of
  - Warlike events
  - Breach of neutrality;
  - Revolution, rebellion, uprising, civil commotion (acts of violence against persons or property on the occasion of riot, tumult or riotous assembly) and the measures taken to combat this.

The civil commotion exclusion does not apply to glass breakage.

## 7. PREMIUM PAYMENT

### 7.1. Premium payment

The premium is payable in advance on the due date for each insurance year. In case of payment by instalments, the instalments are deemed to be deferred.

### 7.2. Changing of the premium tariffs

If there is a change to the premiums, the rules governing excesses or, in case of natural peril events, the limit of indemnity, the insurers may demand the adaptation of the contract. The change must be notified no later than 25 days before the expiry of the insurance year.

If the policyholder does not agree to the change, then he may cancel either the part of the contract affected by this or the entire contract. The cancellation shall take effect on condition that it is

received by the insurer no later than the final day of the insurance year.

## 8. PROCEDURE IN THE EVENT OF A CLAIM

### 8.1. Obligations

#### 8.1.1. The policyholder or rightful claimant must:

- 1 immediately inform the insurer on the occurrence of an insured event;
- 2 provide the insurer with full information on the cause and particulars of the claim and permit any investigation which might prove to be useful;
- 3 on the occurrence of the claim, do everything possible to minimise the loss or damage and salvage the insured items; any instructions given by the insurers in this connection must be complied with;
- 4 refrain from making alterations to the damaged items which might render difficult or frustrate the identification of the cause or extent of the loss or damage, unless these serve to minimise the loss or damage or are in the public interest.

#### 8.1.2. In the case of burglary and house-breaking and robbery, the policyholder or rightful claimant must additionally:

- 1 immediately report this to the police, request an official inquiry and not remove or alter the tracks or traces of the fact without the consent of the police;
- 2 take all suitable measures, to the best of his knowledge and in accordance with instructions from the police or the insurer, to identify the perpetrator and recover the missing items;
- 3 inform the insurer immediately if stolen items are returned to him.

#### 8.1.3. In the case of the insurance of loss of earnings and additional expense:

- 1 advise the insurer of the resumption of business operations;
- 2 at the request of the insurer, produce an interim statement at the beginning and end of the period of interruption or indemnity period. The insurer or his loss adjuster shall be entitled to take part in the stocktaking.

## 8.2. Determination of the claim amount

- 1 The sum insured does not constitute any proof of the existence of or the value of the insured items. The insured must provide evidence of the amount of the claim.
- 2 The amount of the claim shall be determined either by the contracting parties themselves, by a joint expert, or as the result of an expert appraisal.
- 3 The request for an expert appraisal can come either from the insured or from the insurer. Each party appoints an expert and the two experts choose an umpire before the process of determining the amount of the claim begins. If the experts are in agreement, their findings shall be binding on both contracting parties. If there is a difference of opinion, the umpire shall decide on those matters that are still in dispute, this within the limits of the findings of both experts. Each contracting party shall meet the costs of its own expert; both contracting parties shall meet half each of the costs of the umpire.

## 8.3. Calculation of the indemnity

### 8.3.1. General points

- 1 In case of a total loss, the indemnity is limited by the sum insured.
- 2 In case of a partial loss, the maximum that is reimbursed is the costs of the repair.
- 3 Loss minimisation costs shall be indemnified within the limits of the sum insured. If these costs, when added to the indemnity, exceed the sum insured, they shall only be reimbursed if they were ordered by the insurer.
- 4 Any sentimental value shall not be taken into account.
- 5 For items which are no longer used, the current market value shall be reimbursed.
- 6 The insurer is not obliged to accept salvaged or damaged items.
- 7 The insurer may arrange at his option for the necessary repairs to be carried out by craftsmen appointed by him or pay the indemnity in cash.

### 8.3.2. Items and costs

The indemnity for insured items shall be calculated based on their replacement value at the time of the claim, less the value of the remains.

Replacement value is:

- 1 In case of goods and natural produce, the market price, i.e.
  - for goods which are bought in, the cost;
  - for goods manufactured by the policyholder himself, the sale price.
- 2 In case of equipment, articles of daily use, personal effects and visitors' effects, the amount required to purchase or manufacture the item again (replacement cost), and in case of partial loss, no more than the costs of repair. Any existing remains shall be computed at their replacement cost.

In case of insurance based on current market value, the sum reimbursed shall be the amount required at the time of the claim to purchase the item again, less any reduction in value as the result of wear and tear or for other reasons, and in case of partial loss, no more than the costs of repair. Any existing remains shall be computed at their current market value.

- 3 In the case of buildings the locally customary adjusted building cost less pre-existing damage and the value of the remains.

If the building is not rebuilt within 2 years in the same borough, to the original size and for the same purpose, the replacement value may not exceed the market value. This shall equally apply whenever the reconstruction is not carried out by the insured, his successor in title or anyone who at the time of the claim had a legal claim to the acquisition of the building.

In case of insurance based on current market value the sum reimbursed shall be the replacement cost less reductions in the value of the building which have come about since its construction. Any existing remains shall be valued accordingly.

- 4 In the case of defaulting debtors, the difference between the proceeds actually obtained and those which would have been expected had the claim not occurred.
- 5 In the case of cash, the face value, in the case of coins and medals, precious metals, unset precious stones and pearls, the market price at the time of the claim, and in the case of other money, the proven loss amount.

6 In the case of stocks and shares and securities, the costs of the redemption process as well as any losses of interest and dividends.

If the redemption process does not lead to cancellation, the insurer shall pay indemnity for the stocks and shares and securities which are not redeemed. The insurer is authorised to provide reimbursement in kind for the securities.

7 In the case of market price fluctuations, the difference between the effective replacement price for goods and the market price for these goods as at the date of the claim which the policyholder must bear. This coverage is limited to the difference between the market price as at the date of the claim and the effective replacement price as at the first working day following the date of the claim on which replacement is possible.

8 In the case of the costs of decontaminating soil and extinguishing water, the expenditure shall only be reimbursed if public rulings:

- were issued as the result of acts or decrees which came into force before the occurrence of the claim;
- were issued within one year of the occurrence of the claim;
- were notified to the insurer, irrespective of time periods prescribed for appeal, within 3 months of the policyholder's becoming aware of the same;
- concern contamination which is proven to have resulted from loss or damage covered hereunder.

If any existing contamination of the soil is increased as the result of the occurrence of the claim, then only that expenditure shall be reimbursed which exceeds the amount required for the removal of the preexisting contamination, and namely irrespective of whether and when this amount would have been expended had the claim not occurred.

Indemnity shall only be paid where the policyholder is unable to claim any reimbursement or is unable to claim full reimbursement under another insurance contract.

#### 8.4. Under-insurance

- 1 Rule of average  
If the sum insured is lower than the replacement value (under-insurance), then the claim shall only be reimbursed in the proportion which exists between the sum insured and the replacement value.
- 2 In case of claims the amount of which is less than 10% of the sum insured, with a maximum of CHF 20,000, no under-insurance shall be applied.
- 3 In case of first loss insurance, the claim will be reimbursed up to the limit of the agreed sum insured, without any under-insurance being computed.
- 4 Turnover declaration  
If the turnover declared was too low, the claim shall be reimbursed in the proportion which exists between the declared turnover and the actual value for the declared financial year.

#### 8.5. Excesses

- 1 Natural peril claims  
For each claim, the rightful claimant shall bear 10% of the indemnity, with a minimum of CHF 2,500 and a maximum of CHF 50,000.  
  
The excess is in each case deducted once per event for insurances of goods and chattels and of buildings.
- 2 Decontamination costs  
The rightful claimant must bear 20% of the indemnity calculated as an excess.
- 3 Other losses or damage  
For each claim, the rightful claimant shall bear the excess stipulated in the policy.

#### 8.6. Type of Insurance

It is an indemnity insurance in accordance with the Federal Law of Insurance Contract.

#### 8.7. Duty of care

- 1 Prevention of damage  
The policyholder is obliged to act with diligence and must namely take the measures which can be reasonably expected under the circumstances to protect the insured items against the insured perils.
- 2 Security of the water supply

- The policyholder is obliged to ensure;
  - that water pipes and other liquid lines, including any equipment and apparatus connected to the same, are kept in perfect working order at all times at his expense;
  - that arrangements are made to have blocked water and other liquid systems cleaned;
  - that the freezing of water pipes is prevented by taking suitable measures; he must notably arrange, for as long as the building or premises are not being used, even where only temporarily, for water pipes, including any equipment and apparatus connected to the same, to be professionally drained, unless the heating system is kept running by means of a suitable control
- 3 Electronic data processing equipment
 

The policyholder must

  - take every measure to ensure that following a claim, the data and programmes necessary for further processing can be restored;
  - preserve copies and data in such a way that they cannot be destroyed together with the originals.
- 4 Bicycles
 

The owner is obliged to make a note of the make and frame number and to produce this information in the event of a claim. Bicycles which are kept outdoors must be secured with a lock.
- 5 Credit and debit/store cards
 

Owners of credit and debit/store cards are obliged to comply with the General Terms and Conditions of the card issuer.

## 9. SUNDRY PROVISIONS

### 9.1. Breach of regulations, duties, and obligations

The insurer shall be entitled to reduce the indemnity by the amount by which the occurrence and extent of the loss or damage was influenced by the negligent breach of:

- obligations of diligence;
- contractual or statutory provisions;
- obligations.

### 9.2. Multiple insurance

If the same interest is insured against the same risk and for the same time with more than one insurance company in such a way that the sums insured together exceed the insured value (multiple insurance), so the policyholder is obliged to inform the insurance company without delay.

In this connection the articles 46b and 46c from the Federal Law of Insurance Contracts are valid.

### 9.3. Securing of collateral

The insurers shall be liable towards mortgagees who have notified the insurer of their mortgage and whose claims are not covered by the debtor's assets up to the amount of the indemnity, even if the rightful claimant has forfeited his right to indemnity in full or in part.

This provision shall not be applied where the mortgagee is himself a rightful claimant or where he has caused the loss or damage intentionally or through gross negligence.

### 9.4. Other provisions

The General Conditions within the Precontractual Information shall apply in addition to these conditions.